



November 18, 2005

## **Highlights of the Conference Report to Accompany H.R. 2528 – Military Quality of Life Functions of the Department of Defense, Military Construction, The Department of Veterans Affairs and Related Agencies Appropriations, 2006**

*On November 18, the conference report, H. Rept. 109-305, was filed.*

### **Noteworthy**

- The conference report provides \$82.57 billion in new budget authority, which is \$847.5 million above the Administration's request and \$3.77 billion above the FY05 enacted level. Of this funding, \$44.14 billion is for discretionary funding.
- The conference report provides \$5.11 billion for active duty military construction, and \$1.10 billion for reserve component accounts. The conference report provides \$4.02 billion for family housing construction, operations and maintenance, and the Department's family housing improvement fund.
- The conference report provides \$1.50 billion for the base realignment and closure account (BRAC), 2005, which is \$376.0 million below the Administration's request.
- The conference report provides \$70.25 billion for the Department of Veterans Affairs. Of this funding, \$33.04 billion is discretionary funding.
- The Conference Report provides \$22.55 billion for Veterans Medical Service. Of this funding, \$1.23 billion is designated as emergency funding.

## **Bill Provisions**

### **Title I – Military Construction**

H.R. 2528 provides \$6.21 billion for military construction for the active and reserve component accounts, which is \$867.1 million above the Administration's request and \$602.6 million above the FY05 enacted level. The active component accounts provide \$5.11 billion, which is \$489.4 million above the Administration's request and \$460.5 million above the FY05 enacted level. Significant spending accounts include the following:

#### **Active Components:**

##### **Army Construction:**

**Conference Report:** Provides \$1.78 billion.

**Senate Committee-Reported Bill:** Provided \$1.64 billion for **Army** construction, which is \$160.8 million above the Administration's request, but \$321.5 million below the FY05 enacted level.

##### **Navy Construction:**

**Conference Report:** Provides \$1.16 billion.

**Senate Committee-Reported Bill:** Provided \$953.5 million for **Navy** construction, which is \$75.7 million below the Administration's request and \$226.9 million below the FY05 enacted level.

##### **Air Force Construction:**

**Conference Report:** Provides \$1.29 billion.

**Senate Committee-Reported Bill:** Provided \$1.21 billion for **Air Force** construction, which is \$139.5 million above the Administration's request and \$364.6 million above the FY05 enacted level.

##### **Defense-wide Construction:**

**Conference Report:** Provides \$1.01 billion.

**Senate Committee-Reported Bill:** Provided \$1.07 billion for **Defense-wide** construction, which is \$29.4 million above the Administration's request and \$408.8 million above the FY05 enacted level.

**Reserve Components:**

**Conference Report:** Provides \$1.1 billion.

**Senate Committee-Reported Bill:** Provided \$1.02 billion for Reserve Component military construction, which is \$295.5 million above the Administration's request and \$59.9 million above the FY05 enacted level.

**Army National Guard:**

**Conference Report:** Provides \$523.2 million.

**Senate Committee-Reported Bill:** Provided \$467.1 million for **Army National Guard** construction, which is \$140.1 million above the Administration's request and \$20.4 million above the FY05 enacted level.

**Air National Guard:**

**Conference Report:** Provides \$316.1 million.

**Senate Committee-Reported Bill:** Provided \$279.2 million for **Air National Guard** construction, which is \$113.9 million above the Administration's request and \$36.1 million above the FY05 enacted level.

**Army Reserve:**

**Conference Report:** Provides \$152.6 million.

**Senate Committee-Reported Bill:** Provided \$136.1 million for **Army Reserve** construction, which is \$30.0 million above the Administration's request and \$43.7 million above the FY05 enacted level.

**Naval Reserve:**

**Conference Report:** Provides \$46.9 million.

**Senate Committee-Reported Bill:** Provided \$46.7 million for **Naval Reserve** construction, which is \$1.5 million above the Administration's request and \$2.4 million above the FY05 enacted level.

**Air Force Reserve:**

**Conference Report:** Provides \$105.9 million.

**Senate Committee-Reported Bill:** Provided \$89.3 million for the **Air Force Reserve** construction, which is \$10.0 million above the Administration's request, but \$34.7 million below the FY05 enacted level.

**North Atlantic Treaty Organization:**

**Conference Report:** Provides \$206.9 million.

**Senate Committee-Reported Bill:** Provided \$206.9 million for the North Atlantic Treaty Organization (NATO) Security Investment Program, which fully funds the Administration's request and is \$41.1 million above the FY05 enacted level.

**Family Housing:**

**Conference Report:** Provides \$4.02 billion.

**Senate Committee-Reported Bill:** Provided \$4.13 billion for family housing construction, operations and maintenance, and the Department's family housing improvement fund, which is \$108.5 million below the Administration's request, but \$59.1 million above the FY05 enacted level.

**Army:**

**Conference Report:** Provides \$549.6 million for construction and \$804.0 million for operations and maintenance.

**Senate Committee-Reported Bill:** Provided \$549.6 million for **Army** family housing construction, which fully funds the Administration's request, but is \$86.5 million below the FY05 enacted level. Provided nearly \$813.0 million for **Army** family housing operation and maintenance, which fully funds the Administration's request, but is \$113.5 million below the FY05 enacted level.

**Navy:**

**Conference Report:** Provides \$218.9 million for construction and \$588.7 million for operations and maintenance.

**Senate Committee-Reported Bill:** Provided \$218.9 million for **Navy** family housing construction, which fully funds the Administration's request, but is \$79.8 million below the FY05 level. Provided \$593.7 million for **Navy** family housing operation and maintenance, which fully funds the Administration's request, but is \$102.6 million below the FY05 enacted level.

### **Air Force:**

**Conference Report:** Provides \$1.10 billion for construction and \$766.9 million for operations and maintenance. The conferees direct the Secretary of the Air Force to report on a housing plan at Spangdahlem Air Base, Germany.

**Senate Committee-Reported Bill:** Provided \$1.14 billion for **Air Force** family housing construction, which is \$108.5 million below the Administration's request, but \$295.7 million above the FY05 enacted level. Provided \$766.9 million for **Air Force** family housing operation and maintenance, which fully funds the Administration's request, but is \$86.4 million below the FY05 enacted level.

### **Defense-wide:**

**Conference Report:** Provides \$46.4 million for housing operation and maintenance.

**Senate Committee-Reported Bill:** Provided \$46.4 million for **Defense-wide** family housing operation and maintenance, which fully funds the Administration's request, but is \$3.2 million below the FY05 enacted level.

### **Family Housing Improvement Fund:**

**Conference Report:** Provides \$2.5 million.

**Senate Committee-Reported Bill:** Provided \$2.5 million for the Family Housing Improvement Fund, which fully funds the Administration's request.

### **Base Realignment and Closure Account:**

**Conference Report:** Provides \$254.8 million the Department of Defense Base Closure Account 1990. Provides \$1.50 billion for base realignment and closure (BRAC), 2005, which is \$376.0 million below the Administration's request.

**Senate Committee-Reported Bill:** Provided \$377.8 million for base realignment and closure account (BRAC), 1990 Part IV, which fully funds the Administration's request and is \$131.7 million above the FY05 enacted level. Provides \$1.50 billion for base realignment and closure (BRAC), 2005, which is \$376.0 million below the Administration's request.

## **Title II – Department of Veterans Affairs**

H.R. 2528 provides \$70.25 billion for Veterans Affairs, which is \$795 million above the Administration's request and \$4.87 billion above the FY05 enacted level. Of this amount, \$37.21 billion is mandatory spending. Significant spending accounts include the following:

### **Compensation and Pensions:**

**Conference Report:** Provides \$33.90 billion.

**Senate Committee-Reported Bill:** Provided \$33.41 billion for compensation and pensions, which is equal to the Administration's request and \$805.2 million above the FY05 enacted level. Compensation is payable to living veterans who have suffered impairment of earning power from service-connected disabilities. Pensions are an income security benefit payable to needy wartime veterans who are precluded from gainful employment due to non-service-connected disabilities that render them permanently and totally disabled.

### **Readjustment Benefits:**

**Conference Report:** Provides \$3.31 billion.

**Senate Committee-Reported Bill:** Provided \$3.21 billion for Readjustment Benefits, which fully funds the Administration's request and is \$658.0 million above the FY05 enacted level. The readjustment benefits appropriation finances the education and training of veterans and servicepersons whose initial entry on active duty took place on or after July 1, 1985.

### **Veterans Insurance and Indemnities:**

**Conference Report:** Provides \$45.9 million.

**Senate Committee-Reported Bill:** Provided \$45.9 million for Veterans Insurance and Indemnities, which fully funds the Administration's request and is \$1.5 million above the FY05 enacted level. The veterans insurance and indemnities appropriation consists of the former appropriations for military and naval insurance, applicable to World War I veterans; National Service Life Insurance, applicable to certain World War II veterans; Servicemen's indemnities, applicable to Korean conflict veterans; and veterans mortgage life insurance to individuals who have received a grant for specially adapted housing.

### **Veterans Housing Benefit Program Fund Program Account:**

**Conference Report:** Provides \$64.6 million.

**Senate Committee-Reported Bill:** Provided \$64.6 million for the Veterans Housing Benefit Program Fund Program Account, which fully funds the Administration's request and is \$20.8 million above the FY05 enacted level. With the exception of the Native American Veteran Housing Loan Program and the Guaranteed Transitional Housing Loans for Homeless Veterans Program, this appropriation provides for all costs for the VA's direct and guaranteed housing loans, as well as the administrative expenses to carry out these programs, which may be transferred to and merged with the general operating expenses account.

### **Medical Services:**

**Conference Report:** Provides \$22.55 billion. Of this funding, \$1.23 billion is designated as emergency spending. A mid-year review conducted by the Department of Veterans Affairs budget revealed that the agency would need approximately \$1.5 billion for 2006 than had originally been requested for health care matters. This emergency funding meets the known shortfall completely with additional funds, rather than forcing the Department to shift internal funds away from programs critical to the support of Veterans.

**Senate Committee-Reported Bill:** Provided \$23.31 billion for Medical Services, which is \$1.34 billion above the Administration's request and \$3.99 billion above the FY05 enacted level. This account provides for medical services of eligible veterans and beneficiaries in VA medical centers, outpatient clinic facilities, contract hospitals, State homes, and outpatient programs on a fee basis.

### **Information Technology:**

**Conference Report:** Provides \$1.21 billion.

**Senate Committee-Reported Bill:** Provided \$1.46 billion for Information Technology. The Administration did not request this funding, nor was any such funding provided in FY05. This account encompasses the entire information technology portfolio for the Department of Veterans Affairs.

### **Medical Facilities:**

**Conference Report:** Provides \$3.30 billion.

**Senate Committee-Reported Bill:** Provided nearly \$3.30 billion for Medical Facilities, which fully funds the Administration's request, but is \$417.4 million below the FY05 enacted level. This account provides funds for the operation and maintenance of the VA healthcare system's capital infrastructure.

### **Medical and Prosthetic Research:**

**Conference Report:** Provides \$412.0 million.

**Senate Committee-Reported Bill:** Provided \$412.0 million for Medical and Prosthetic Research, which is \$19.0 million above the Administration's request and \$9.7 million above the FY05 enacted level. This account provides funds for medical, rehabilitative, and health services research. Medical research supports basic and clinical studies that advance knowledge leading to improvements in the prevention, diagnosis, and treatment of diseases and disabilities.

### **National Cemetery Administration:**

**Conference Report:** Provides \$156.4 million.

**Senate Committee-Reported Bill:** Provided \$156.4 million for the National Cemetery Administration, which fully funds the Administration's request and is \$8.7 million above the FY05 enacted level. The National Cemetery Administration was established in accordance with the National Cemeteries Act of 1973. It has a fourfold mission: to provide for the interment in any national cemetery of the remains of eligible deceased servicepersons and discharged veterans, together with their spouses and certain dependents, and to permanently maintain their graves; to mark graves of eligible persons in national and private cemeteries; to administer the grant program for aid to States in establishing, expanding, or improving State veterans' cemeteries; and to administer the Presidential Memorial Certificate Program.

### **Title III – Related Agencies**

#### **American Battle Monuments Commission:**

**Conference Report:** Provides \$51.5 million.

**Senate Committee-Reported Bill:** Provided \$51.5 million for American Battle Monuments Commission, which is \$1.0 million above the Administration's request, but \$1.2 million below the FY05 enacted level.

#### **U.S. Court of Appeals of Veterans Claims:**

**Conference Report:** Provides \$18.8 million.

**Senate Committee-Reported Bill:** Provided \$18.8 million for the U.S. Court of Appeals for Veterans Claims, which is \$500,000 above the Administration's request and \$1.7 million above the FY05 enacted level.

#### **Armed Forces Retirement Home:**

**Conference Report:** Provides \$58.3 million.

**Senate Committee-Reported Bill:** Provided \$58.3 million for the Armed Forces Retirement Home, which fully funds the Administration's request, but is \$2.9 million below the FY05 enacted level.